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Waynesboro, Virginia 22980

April 10, 2014

VIA ECFS

Ms. Marlene H. Dortch,
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RE: EX PARTE PRESENTATION

GN Docket No. 12-268, *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*
WT Docket No. 12-269, *Policies Regarding Mobile Spectrum Holdings*

Dear Ms. Dortch:

NTELOS Holdings Corp. ("NTELOS") urges the Commission to update its mobile spectrum holdings policies, and in particular to revise its aggregation rules to reflect the unique financial and technical benefits of low-band spectrum.¹ It is critical that NTELOS gain access to a mix of low-, mid- and high-band spectrum to effectively provide competitive service offerings to consumers. Unfortunately, NTELOS has found it difficult to obtain low-band spectrum in the secondary market, and the last major low-band spectrum auction occurred six years ago. In order to facilitate meaningful participation by smaller carriers such as NTELOS in the upcoming incentive auction, the Commission should adopt an up-front, reasonable spectrum aggregation limit. Absent such a limit, it is likely that NTELOS, the seventh largest carrier in the country, would be shut out from the 600 MHz ecosystem for the foreseeable future. To expand competition and provide certainty to the marketplace, the Commission should adopt reasonable, low-band spectrum aggregation rules significantly in advance of its upcoming 600 MHz incentive auction.²

NTELOS is a regional provider of high-speed voice and data services to consumers and businesses in most areas of Virginia and West Virginia, and select areas of Maryland, Ohio, Kentucky, North Carolina and Pennsylvania. NTELOS's current network covers approximately 6 million residents, and NTELOS currently serves approximately 465,000 subscribers. NTELOS

¹ *Policies Regarding Mobile Spectrum Holdings*, Notice of Proposed Rulemaking, 27 FCC Rcd 11710 (2012) ("MSH NPRM").

² *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Notice of Proposed Rulemaking, 27 FCC Rcd 12357 (2012) ("Incentive Auctions NPRM").

has actively participated in recent Commission auction proceedings discussing the need for competitive carriers to have the ability to obtain additional spectrum.

NTELOS does not currently hold any licenses for spectrum below 1 GHz. NTELOS works hard to provide a superior user experience for its subscribers, but there are certain advantages that low-band spectrum provide that cannot be easily replicated by other technological means. Indeed, the Commission has received significant evidence in the record in this proceeding demonstrating the benefits of low-band spectrum. As such, it is critical that NTELOS have a fair and reasonable opportunity to acquire 600 MHz spectrum in the incentive auction.

NTELOS is ready and willing to invest in its network,³ but in order to continue to provide competitive services to consumers, NTELOS needs access to additional spectrum; particularly low-band spectrum. In order to provide for this opportunity, the Commission should establish a reasonable, up-front spectrum aggregation limit for the incentive auction. To invest capital in infrastructure, operating entities must be able to justify cash expenditures to their shareholders or take on additional debt financing. Further, it takes an initial investment of time and effort to raise capital to participate in spectrum auctions.⁴ Without reasonable up-front spectrum aggregation limits, it is likely that such investment of time, effort, money and resources in an effort to participate in the auction would be for naught. For that reason, NTELOS may choose not to participate in the incentive auction because of the likelihood that AT&T and Verizon will be allowed to walk away with all, or virtually all, of the spectrum in the auction unless reasonable up-front spectrum aggregation limits are in place. The auction framework must at least open the door to an opportunity for carriers such as NTELOS to compete against Verizon and AT&T in the auction room. The Commission cannot allow a repeat of the 700 MHz auction, in which AT&T and Verizon dominated the auction to the detriment of many smaller carriers, such as NTELOS.

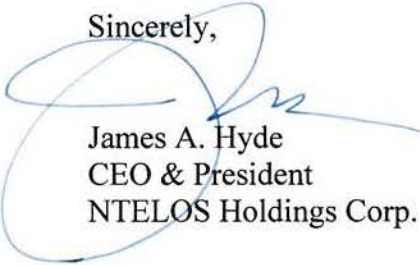
In conclusion, adopting reasonable, up-front spectrum aggregation limits for the upcoming 600 MHz auction will give rural and regional carriers like NTELOS meaningful opportunities to bid, increasing competition throughout the wireless industry. NTELOS urges the Commission to update its mobile spectrum holdings policies to reflect the unique benefits of low-band spectrum and limit the amount of this vital input any one carrier can acquire.

³ For example, the third through tenth largest wireless providers in the U.S. invested a combined \$5.5 billion in capital expenditures in 2012. See Summit Ridge Group, *Right-sizing Spectrum Auction Licenses: The Case for Smaller Geographic License Areas in the TV Broadcast Incentive Auction* at 6 (Nov. 20, 2013), attached to Letter of Steven K. Berry, President & CEO, CCA to The Hon. Tom Wheeler, Chairman, Federal Communications Commission, GN Docket No. 12-268 (filed Nov. 20, 2013). This figure does not account for the capital expenditures of all other wireless operators throughout America.

⁴ It has been shown previously that smaller firms are prone to initially face more limited financing options and consequently confront higher capital costs. See, e.g., Joe Peek, Office of Advocacy, U.S. Small Bus. Admin., *THE IMPACT OF CREDIT AVAILABILITY ON SMALL BUSINESS EXPORTERS* 7-8 (Apr. 2013), available at [http://www.sba.gov/sites/default/files/files/rs-404tot\(3\).pdf](http://www.sba.gov/sites/default/files/files/rs-404tot(3).pdf).

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James A. Hyde', is written over the typed name and title.

James A. Hyde
CEO & President
NTELOS Holdings Corp.

cc (via email): Mr. Gary Epstein
Ms. Ruth Milkman
Mr. Jim Schlichting
Mr. John Leibovitz
Ms. Susan Singer
Mr. Brett Tarnutzer
Mr. Joel Taubenblatt